seemed to make very little difference; and soon it was being said that what had looked like a calamity was in reality a blessing, many claiming that for years past they had been advocating controlled inflation regulated by an Exchange Equalisation Fund. Instead of, as the *Morning Post* had contended, abandonment of the Gold Standard amounting to an amputation which left England hobbling along on an artificial limb, the operation was thought of as the removal of an unnecessary appendix; and before long the Government was taking credit to itself for having allowed to happen what it had been formed to prevent.

Even so, the abandonment of the Gold Standard had important consequences. It led to the institution of currency restrictions in a number of countries and an intensification of those already in force in others; to a drastic curtailment, and for a time the complete cessation, of foreign lending in London, and an all-round raising of already high tariff barriers. As far as England was concerned, the fact that so flagrant a departure from orthodox finance went unpunished, was even rewarded, prepared the way for other departures from orthodoxy in the future. It was like the first visit of a respectable householder in distress to the pawnshop. As he creeps along with his surreptitious bundle in the dusk, he expects passers-by to recoil, disgusted, from him; when they do not, he takes heart, and the next time goes more brazenly, until he is as indifferent to being seen on his way to the pawnshop as on his way to church. MacDonald aroused fear and trepidation, as well as winning votes, with his gloomy prognostications about

the consequences of detaching the pound from gold; but Mr. Neville Chamberlain was not much heeded when eighteen months later he envisaged the woe which would follow a default on the American Debt—'Default would have resounded all over the world, and might have been taken as a justification for other defaults by European Powers, and might have had a most profound effect upon the whole conception of the meaning of obligations of all kinds.' Nor was anyone surprised that when, after one more half-yearly payment, and an inconsiderable token payment, England defaulted, the event, fax from resounding all